

Unit I Introduction to organizational behavior

What is Organizational Behaviour?

Organizational Behaviour (OB) is defined as the systematic study and application of knowledge about how individuals and groups act within the organizations where they work.

It is the study of human behavior in organizational settings, how human behavior interacts with the organization, and the organization itself. Organizational Behaviour theories inform real-world evaluation and management of groups of people.

I. Concept of Organizational Behavior:

Some of the important concepts having relevance to Organizational Behaviour are :

1. Individual Differences in Organization

People differ not only in their physical attributes but in their psychological qualities as well. For example, there are differences in the capacity of different individuals to understand, learn, memorize, judge, predict, conclude and so on. Knowledge of such individual differences is important for the manager to get the best out of every employee. While assigning work to different employees, these differences will have to be taken into account.

2. Perception of employees

‘One man’s food is another man’s poison’ is a famous quotation. The way a person sees, understands and interprets things is what is called perception. While one employee may welcome a particular policy of the organization, another may oppose it on the ground that it is detrimental to the interests of the employees.

3. The concept of Whole Person in Organization

By this we mean that it is not the skill or the intelligence of the employee alone that is important for the growth of the organization. The personal life of the employee, his emotions, feelings etc. are equally important to get the best out of him.

The manager cannot separate or isolate the home life of employees from his official life. It, therefore, goes without saying that unless steps are taken to satisfy the total individual, it is not possible to benefit fully from his potentials.

4. Motivation of employees

People have different kinds of needs for the satisfaction of which they strive hard. Maslow, for example, has pointed out five different kinds of human needs — Physiological, Safety, Social, Esteem and Self actualisation needs.

The extent to which the efforts of a person have helped him to fulfill his needs determines behaviour. For example, if, in spite of the hard work done, an employee is unable to get his promotion, he may feel frustrated and the same will be reflected in his behaviour.

5. Involvement/Empowerment of employees

People in the workplace cannot be handled in the manner machines are handled. An employee must be able to fully involve himself in the work he does for best results. In other words, he should not do his work mechanically. The manager, should, therefore, empower the employee by giving him all that is reasonably essential for the effective performance of his tasks. It may be mentioned here that in an organization only human beings can be empowered.

Empowerment gives the employee a sense of belonging and he is able to do his work with involvement.

6. Dignity of Labour in an organization(Value of a person)

The employees must be treated with respect and dignity. In a workplace, where the management treats labour as a commodity that can be purchased for a price, human relationships are bound to be poor.

Payment of fair wages, provision of good working environment and job security, creation of facilities for training, encouraging employees' participation in decision-making etc., indicate that the management respects the dignity of labour.

7. Organizations are Social System

An organization is a conglomeration of individuals who work for a common goal. The activity of each individual affects and is affected by the activities of others. Two types of social systems exist in any organization — one is 'formal' and the other one is 'informal'.

The formal system is developed using the authority — responsibility relationships. It is deliberately and consciously created. The informal system, on the other hand, develops naturally and spontaneously due to such factors as friendship, language, personal likes and dislikes of individuals.

8. Mutuality of Interest in organization

Just like how the organizations need people, people also need organizations. It is only the people who work for the attainment of the organizational objectives. Similarly, it is only the organization that satisfies the needs of the people. Thus, there is mutuality of interest without which the conglomeration of people is meaningless.

II. Objectives of organizational behavior

Objectives of organizational behavior are mainly:

Understanding Employee's Behavior

Organizational behavior plays an efficient role in understanding the behavior of people working within organization. It acquires and provides all information regarding behavioral aspects of employees to managers. Managers are able to get which employees behave in what way while performing their roles.

Enhancing Organizational Efficiency

It helps in increasing the overall efficiency of organization. Organizational behavior aims at fuller utilization of all resources and eliminating the wastage. It enables managers in selecting the right personnel and matching them with right job by properly understanding their behavior.

Resolving Conflicts

Organizational behavior focuses on avoiding and resolving all conflicts arising within the organization. It helps in developing better employer-employee relations and promotes co-operation. Proper knowledge of human behavior enables in treating them accordingly. All people are encouraged for participation in decision making which reduces any conflicts arising due to difference in opinions.

Motivating Employees

It supports managers in motivating the people working under them towards their roles. Managers with application of organizational behavior are easily able to identify their needs and problems. They develop better understanding towards them. By focusing and fulfilling their needs efficiently, they can be motivated to work with full dedication towards achievement of desired targets.

Enables Performance Appraisal

Rewarding employees in accordance with their performance is an efficient way of improving their productivity. It motivates them to work better in view of getting more rewards.

Organizational behavior helps management in appraising the work quality of employees by providing them with all details regarding them.

Optimum Utilization Of Employees

Organizational behavior focuses on fuller utilization of all resources. It enables managers to understand the working styles of employees and their skills and weakness. Management with the help of proper understanding can impart proper training and develop employees for using them in an optimum way. It ensures that right man is placed at right job and delivers efficient output.

Stimulates Innovation And Change

Every business is required to keep itself updated in terms of technological changes to beat competition in market. Organizational behavior studies all market changes and requirements from time to time. It provides all such information to management for implementation of required market changes within the organization. It support business in bring innovative and differentiated in market at minimized cost.

III. Key Elements of Organizational

4 Key elements of organizational behavior are:

1. People
2. Environment
3. Structure
4. Technology



People

People are the main component of any organization that has to be managed. Every individual has a personal goal to be achieved.

Organizations must identify the need spectrum of individuals and take suitable steps for its fulfillment to enable them to perform effectively so that they complete their allotted task in time.

Environment

When we talk about managing people in the organization, what we have to study and manage is the influence of culture and its impact on the individual.

Study of the environment is very wide and encompasses economic, cultural, social, government rules and regulations, legal aspects, political climate, demographics and its impact.

Structure

There are two types of organizations, formal and informal.

- Informal organizations do not have a specified structure.
- Formal organizations are built based upon the objective set for it. Organizational structure in such organization is hierarchical in nature, with people at each level having their own objectives.

Technology

Managing technology is an important job of any management. It is an important element of any unit. Selection of technology, procurement, installation, operation and maintenance is important and no compromise should be made in procuring latest or advanced technology.

IV. Scope of organisation behaviour

Organisation Behaviour has an important role in the achievement of organisation objectives. Scope of organisation behaviour is as explained below:

Improves The Satisfaction Of Employees

Organisation behaviour is mainly concerned with understanding the nature of peoples working in the organisation. It gives the complete idea of how people will respond to the organisation. This helps employers in treating their employees properly and providing them with better facilities.

Managers handle every employee differently as per their nature. Employees also get work as per their interest and better working conditions. Employees are awarded on the basis of their performance. It leads to increase overall satisfaction level of all employees.

Reduce The Chances Of Conflicts

Conflict is dangerous for successful functioning and growth of every organisation. Every business aims to avoid conflict with their employees. Organisation behaviour helps in developing better relations among employees and also among employer and employee.

There is active participation of every person in decision-making working in the organisation. It avoids all chances of the difference of opinions because the opinion of every individual working is considered. This way it reduces the chances of conflicts and helps in maintaining a peaceful environment.

Facilitates Management

Organisation behaviour is considered as an important and integral part of the management process. It is basically concerned with managing and influencing the individuals working in an organisation. Managers find it easy to manage all the staff when they have a better understanding and knowledge regarding their subordinates.

Organisation behaviour does a systematic analysis of peoples working in the organisation and provides all the required information to employers. It performs analysis of individual behaviour, group behaviour and organisation behaviour. This helps in better management of organisation affairs.

Helps In Motivation

Companies develop a better system of motivating their employees through organisational behaviour. Through organisational behaviour, complete information regarding employee's need and requirement is well understood.

It makes it easy to understand the individual differences and similarities of all people working at different positions within the organisations. Organisations by focusing on their needs and requirements can motivate their employees. Motivated employees work efficiently toward the achievement of the company's goals.

Increases Organisational Efficiency

It aims at increasing the efficiency of the organisation through maximum utilisation of resources. Organisational behaviour attempts to reduce the wastage of resources. It helps in the identification

of the right type of human skill required for the organisation for better productivity. Accordingly, the selection and recruitment process is conducted to hire the right peoples. It minimizes the wastage of cost and time involved in these processes.

It also helps to recognise the skills and knowledge of different employees working within the organisation. So accordingly organisations can design their training and improvement programs to improve their employee's skills. This will increase the effectiveness of organisation programs thereby increasing the overall efficiency.

Develops Positive Attitude

Organisational behaviour develops a positive working environment within the organisation. It leads to co-operation and mutual trust among peoples working in the organisation. It makes it easy to predict the individual's behaviour, needs and requirements. Organisation can accordingly focus on employee's needs and work for their betterment to increase their satisfaction level.

Employees also develop a sense of belongingness towards the organisation when treated properly. They feel that the organisation cares for them. This way the relationship between employer and employee are improved.

Helps In Performance Appraisal

Performance appraisal is an important element for improving the performance of the employees. Employees when awarded for their good performance feel motivated to work better. They look forward to being appraised for their good performance.

Organisational behaviour helps to understand the nature and the manner in which people reacts in the organisation. It enables it to predict how peoples are working as an individual and as a group. Their performance can be measured easily and accordingly, they can be appraised.